(b) if so, how far such fed rates hikes shall have adverse affects on economy, and

(c) the steps being taken to protect the Indian economy therefrom?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM). (a) to (c) Reserve Bank of India, in its Mid-Term Review (October 25,2005) of Annual Policy Statement for the year 2005-06, has kept the Bank rate unchanged at 6.0 per cent. However, an upward revision by 25 basis points each for the fixed repo rate and fixed reverse-repo rate to 6.25 per cent and 5.25 per cent respectively effective October 26, 2005 was announced. The stance of monetary policy in the second half of 2005-06 would continue to place emphasis on price stability, provision of appropriate liquidity to meet genuine credit needs and support export and investment demand in the economy.

Permission to PGFL to enter into insurance sector

1457. SHRI MANOJ BHATTACHARYA: Will the Minister of FINANCE be pleased to state:

(a) whether Peerless General Finance Ltd. of Kolkata has been permitted to enter into life insurance business and if so, the details thereof;

(b) whether the PGFL is basically one of the residuary Non-Banking Financial Companies which are not permitted to join the insurance fray; and

(c) if so, the reasons for which the company has been so permitted and the terms and conditions of such permission?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Peerless General Finance Ltd., Kolkata, a non-banking finance company, has not been registered with the Insurance Regulatory and Development Authority (IRDA) as an Indian insurance company but as a Corporate Agent under the IRDA (licensing of Corporate Agents) Regulations, 2002. The company has entered into a Memorandum of Association with the Life Insurance Corporation of India (LIC) to function as a corporate agent of LIC.